

Connecticut Department of Labor



Linda L. Agnew, Acting Commissioner

**Public Hearing Testimony of  
Robert Merola, Chief Financial Officer**

**Appropriations Committee  
H.B. 5018: An Act Making Adjustments to State  
Expenditures and Revenues for the 2011 Fiscal Year  
February 17, 2010**

Good afternoon Senator Harp, Representative Geragosian and members of the Appropriations Committee.

My name is Robert Merola and I am the Chief Financial Officer of the Department of Labor.

I have been asked to fill in for Acting Commissioner Agnew who is unable to be here this afternoon to speak about the Governor's proposed 2011 mid-term budget adjustments, for fiscal year 2010-11, for the Department of Labor. I understand that the Results-Based Accountability presentation on the Jobs First Employment Services Program is the primary focus for today.

Please allow me to introduce a key member of the Labor Department staff who will present the RBA:

Alice Frechette Johns – Operations Manager

Before turning it over to Alice for RBA, however, I would like to provide an overview regarding some significant developments that have recently occurred at the Connecticut Labor Department.

There is great sadness at the agency with the passing of Commissioner Pat Mayfield last month. Everyone in the agency will miss her leadership and experience in the upcoming months.

The Labor Department has faced a number of challenges since this time last year. An economic crisis which brought historical levels of unemployment and a lack of jobs, while in-house we lost many staff to retirement.

Although I am here to address budget issues with our state appropriated funds – which account for approximately 20% of our overall operating budget – I think it is important to that the committee be aware of major program activities relative to our federally-funded Employment Security Division.

In addition to our state funded programs, with the unprecedented increase in unemployment compensation claims, we currently have more than 625 staff dedicated to providing unemployment insurance, job training and job placement services to the citizens of Connecticut.

Presently there are approximately 167,000 Connecticut workers filing for weekly unemployment benefits. And with the current federally funded extensions, it is possible for unemployed workers to file for up to 99 weeks of benefits. The Labor Department is providing approximately \$60 million in benefits each week, making us a major economic engine in the state.

Our two Call Centers have handled nearly one million calls from the public this past year. Recently, at Governor Rell's request, we partnered with DOIT and DAS and invested approximately \$2.0 million in federal stimulus funds on technology improvements, substantially expanding and upgrading our web filing and telephone filing systems. As a result, claimants are no longer getting error messages on the web, our callers are able to get through to our system on our busiest days and wait times have diminished considerably.

Agency employees continue, since last year, to work long hours – which include overtime, and holidays and now, Saturdays – to meet the unprecedented volume of claims filed each week.

Turning to the specifics of the FY2011 Mid-term Budget Adjustments, the overall General Fund portion of our budget is \$58 million, which includes the state appropriation of \$30.4 million under the federal Workforce Investment Act already mentioned.

One of our major state-funded programs is the Jobs First Employment Services, a job training program which transitions welfare recipients to employment. Alice will provide additional information on this for the RBA, so I will not address it now.

The programs affected by the mid-term adjustment are proven and important programs – Youth Employment Industrial Centers – for job training to individuals with barriers to employment, STRIDE (occupational skills training to incarcerated and paroled parents), STRIVE (training for the economically disadvantaged) and Individual Development Accounts (which match savings accounts permitting low income earners to purchase assets like education and job training.)

Speaking for the Department, we realize every program is an important program to the people who benefit from its work, but in this extremely difficult economy, there are no easy decisions to be made.

The Governor's proposed budget also maintains funding for: 21<sup>st</sup> Century Jobs, Incumbent Worker Training, Apprenticeship Program (fondly known as the "Other Four Year Degree"), the Connecticut Career Resource Network, and Jobs First Employment Services which we will segue into the RBA portion of today.

Let me now ask Alice Frechette-Johns, Operations Manager of the Welfare to Work Program, to provide you with additional information on the Jobs First Program which you requested for RBA.